

# \$6M day care reimbursement program eases child care burden

Navia worked with King County of Washington State to build a custom day care relief program in record time and deliver it to 1,500 employees



## Employer

Sector: Government

Size: 16,000 employees

Location: Seattle, WA

Benefit services: Healthcare  
FSA, Day Care FSA, HRA,  
COBRA, Direct Bill

4

months to deliver

48%

of eligible employees  
enrolled

## Challenge: Distribute relief funds fast, efficiently

The COVID-19 pandemic severely impacted the nation's childcare infrastructure. Nationally about 63% of childcare centers and 27% of family childcare providers had closed as of Sept. 30, 2020. The shortage of open day care facilities quickly made securing help more difficult than ever before.

As the 13th most populated county in the U.S., King County's 16,000 employees are responsible for serving more than two million residents across the Seattle metropolitan area. Faced with homeschooling and disappearing day care options, the county's employees had mounting pressure to perform their duties and manage an unprecedented childcare crisis at home.



**King County**

## Challenge continued

63

63% of childcare  
centers closed

3600

3600 children  
under 13 affected

1500

1500 employees  
impacted

The Joint Labor Management Insurance Committee (JLMIC), King County's largest labor union coalition, determined more than 1,500 of their employees with 3,600 children under the age of 13 may be impacted by closed schools and shuttered daycares.

Identifying the urgent need, the JLMIC (union coalition) and King County management formulated a high-level concept of reimbursing employees for their work-related childcare expenses.

The union coalition tapped into a reserve health care fund to provide \$6 million to help ease the childcare burden.

The Challenge? Despite the desire to quickly get funds to parents needing relief, no existing structure allowed for the distribution of those daycare reimbursement funds.

Furthermore, an accurate, accountable process would need to be implemented in record time. County staff additionally felt the program should mesh with King County's overall goals, in particular the desire for an equitable allocation of funds according to income and needs.



## Solution: Navia fast-tracks a custom benefit build



\$6 million  
distributed



3 tiers based on  
income



Average \$\$ in  
lower tier



Delivered in 4  
months

Sherry Stroud, the Benefits Payroll and Retirement Operations section manager for the King County Department of Human Resources, oversaw finding a solution. Her 35-person team ensures the smooth operation of company benefits to thousands of King County employees and they quickly got to work on a solution.

Sherry's team identified Navia Benefit Solutions as the right organization to accommodate the reimbursement program and meet the critically short deadlines. Navia currently administers the County's Day Care and Healthcare Flexible Spending Accounts and several other key benefits, making Navia a natural fit for the job.

The urgent nature of the project allowed existing contracts to be modified and it was determined that employees could get reimbursed the day care expenses tax free!

"Navia was integral to the success of the program. Typically it takes us six months to a year to bring on a new benefit. Navia helped us create a program in four months!" Sherry noted.

"They held our hand the whole way and made sure we were set up for success."

Navia provided a range of services including plan design consultation, legal documents, educational training, communications, adjudication of claims, reimbursement to employees, and special reports that allowed Sherry's team to monitor the program and make real time adjustments.

Many employees were already familiar with the Navia technology, like the MyNavia mobile phone application, which helped facilitate a smooth implementation. Further, the program was designed to provide reimbursement for daycare expenses on a sliding scale with lower income employees receiving more funding. Reimbursements ranged from \$500-\$5000 per child.



**Sherry Stroud**

*HR Benefits  
Section Manager  
for King County*



## Results: 89% of employees value the program

48

48% of eligible employees participated

71

71% of special day care funds distributed

89

89% of eligible employees valued the program

By all measures the King County Emergency Childcare Reimbursement Program was a home run, seamlessly distributing more than \$6 million to King County employees struggling with childcare expenses during a pandemic. Average reimbursement in the lower income tiers was \$7,173, pumping much needed economic relief to strapped parents.

"The customer service that the employees received from Navia was fantastic. I didn't receive one complaint about the service employees received," Sherry noted.

48% of eligible employees participated in the program and 71% of the special day care funds were distributed.

A survey sent out to King County's eligible employees revealed 89% appreciated and valued the childcare reimbursement program.

And the program's tiered reimbursement approach, paying less to higher paid employees, led to a nomination for an Equity and Social Justice internal excellence award at the County.

While the pilot childcare reimbursement program has ended, Sherry still works closely with Navia to manage several other benefits, including King County's Day Care FSA benefit, which still allows employees to save on childcare expenses.

### Peer-to-peer Advice



Happy parents equal happy employees and I strongly encourage fellow HR professionals to include day care benefits as part of their overall strategy.

“

-- Sherry Stroud



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